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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

REPORT NO.

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## INFORMATION REPORT

COUNTRY

East Germany

DATE DISTR. 12 May 1953

SUBJECT

Change in the Planned Reorganization of the

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NO. OF ENCLS.

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SUPPLEMENT TO REPORT NO.

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- Plans to make VEB Carl Zeiss, Jena, a so-called leading enterprise (Leitbetrieb) of the optical industry in East Germany were cancelled in early Farch 1953; it was believed that too many administrative difficulties would result from such a reorganization. Cancellation of the Leitbetrieb reorganization is thought to apply to the entire VVB group for which it was originally scheduled.
- 2. The enterprises affiliated with the Peoples' owned optical industry are to remain under the authority of the Ministry for General Machine Construction but they will be controlled by the Land Districts (Landesbezirke). Smaller works, which are geographically close together, will be combined in large regional administrative units under the control of the Land Districts,
- 3. As now planned, those Zeiss works in Leimar, Caalfeld, and other places will each be assigned a works director. The directors of the non-Jena works will be under the authority of Zeiss director, Huge Schrade, who is to be directly responsible to the finistry.
- 4. In Pebruary 1953, Zeiss was ordered to transfer its production of film projectors to the former Rheinmetall Works in Sommerda, which makes office equipment and computing machines. The shift was designed to eliminate possible extensive unemployment at Sommerda. The Zeiss Direction opposed the Ministry plan and suggested the transfer to Sommerda of h-1 aerial trainer production rather than that of film projectors. In March 1953 the Ministry withdrew its order. Transfer of A-1 production to Concerda is not contemplated.

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